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The Monongahela Railway Company

1968 ANNUAL REPORT

BOARD OF DIRECTORS

D. C. Bevan	Philadelphia, Pa.
G. S. Harris	Pittsburgh, Pa.
M. C. Mulligan	Baltimore, Md.
G. E. Neuenschwander	Pittsburgh, Pa.
G. M. Smith	Pittsburgh, Pa.

OFFICERS

G. M. Smith	President	Pittsburgh, Pa.
G. S. Harris	Vice President	Pittsburgh, Pa.
R. W. Carroll	Secretary	Philadelphia, Pa.
J. H. Shaffer	Treasurer	Philadelphia, Pa.
C. S. Hill	Comptroller	Philadelphia, Pa.
E. A. Kaier	General Counsel	Philadelphia, Pa.
L. A. Baggerly	Superintendent	Brownsville, Pa.
K. C. Barry	Manager-Real Estate	Pittsburgh, Pa.
J. J. Eash	Chief Engineer	Pittsburgh, Pa.

BOARDS

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INCOME STATEMENT

	Year ended December 31	
	1968	1967
OPERATING REVENUES:		
Freight	\$ 6,543,171	\$ 6,520,618
Rents of buildings and other property	31,750	34,216
All other	9,641	17,710
Total	<u>6,584,562</u>	<u>6,572,544</u>
OPERATING EXPENSES:		
Maintenance of way and structures	1,815,094	1,006,525
Maintenance of equipment	788,094	610,817
Traffic	12,820	11,790
Transportation	1,826,140	1,889,488
General	134,480	130,345
Total	<u>4,576,628</u>	<u>3,648,965</u>
NET REVENUE FROM RAILWAY OPERATIONS	<u>2,007,934</u>	<u>2,923,579</u>
TAX ACCRUALS:		
Railroad retirement taxes	187,563	162,254
Unemployment insurance taxes	56,703	54,689
Other railway taxes	97,358	160,556
Total	<u>341,624</u>	<u>377,499</u>
EQUIPMENT AND JOINT FACILITY RENTS:	<u>1,377,132</u>	<u>1,530,884</u>
NET RAILWAY OPERATING INCOME	<u>289,178</u>	<u>1,015,196</u>
NON-OPERATING INCOME:		
Miscellaneous rent income	29,559	20,141
Interest income	173,288	93,550
Profit from sale of property	3,547	1,136
Miscellaneous	1,436	2,743
Total	<u>207,830</u>	<u>117,570</u>
TOTAL INCOME	<u>497,008</u>	<u>1,132,766</u>
FIXED CHARGES AND OTHER DEDUCTIONS:		
Rent for leased roads and equipment	949,152	168,624
Interest on funded debt	415,620	416,259
Loss on sale or retirement of property	-	1,570
Miscellaneous	1,573	859
Total	<u>1,366,345</u>	<u>587,312</u>
NET INCOME	Def \$ 869,337	\$ 545,454

STATEMENT OF RETAINED INCOME

Balance January 1, 1968	\$10,991,738
Deduct: Deficit for the year	<u>869,337</u>
Balance December 31, 1968	<u>\$10,122,401</u>

THE MONONGAHELA RAILWAY COMPANY

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BALANCE SHEET

ASSETS

	December 31	
	1968	1967
CURRENT ASSETS:		
Cash and temporary cash investments	\$ 2,397,130	\$ 412,086
Accounts receivable	1,851,431	2,475,455
Material and supplies	159,998	146,373
Miscellaneous	44,644	21,492
Total Current Assets	<u>4,453,203</u>	<u>3,055,406</u>
INSURANCE AND OTHER FUNDS:	<u>6,800</u>	<u>2,800</u>
PROPERTIES:		
Transportation property	26,374,804	26,125,287
Less: Accrued depreciation and amortization	<u>4,163,030</u>	<u>3,928,341</u>
Net Transportation Property	22,211,774	22,196,946
Miscellaneous physical property	412,336	412,336
Net Properties	<u>22,624,110</u>	<u>22,609,282</u>
OTHER ASSETS AND DEFERRED CHARGES:	<u>25,618</u>	<u>87,668</u>
TOTAL ASSETS	<u>\$27,109,731</u>	<u>\$25,755,156</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 1,887,308	\$ 637,752
Interest payable	284,312	284,312
Taxes accrued	80,754	180,297
Other current liabilities	<u>4,561</u>	<u>6,539</u>
Total Current Liabilities	<u>2,256,935</u>	<u>1,108,900</u>
LONG-TERM DEBT DUE AFTER ONE YEAR:		
Amounts payable to affiliated companies:		
Baltimore & Ohio Railroad Company	2,309,000	2,309,000
Penn Central Company	2,309,000	2,309,000
Pittsburgh & Lake Erie Railroad Company	<u>2,309,000</u>	<u>2,309,000</u>
Total Long-Term Debt Due After One Year	<u>6,927,000</u>	<u>6,927,000</u>
CASUALTY AND OTHER RESERVES:	<u>147,875</u>	<u>61,500</u>
OTHER LIABILITIES AND DEFERRED CREDITS:		
Other liabilities	11,532	12,476
Deferred credits	1,166,980	181,269
Accrued depreciation - leased property	<u>232,008</u>	<u>227,273</u>
Total Other Liabilities & Deferred Credits	<u>1,410,520</u>	<u>421,018</u>
SHAREHOLDERS' EQUITY:		
Capital stock (124,000 shares, \$50 par value)	6,245,000	6,245,000
Retained income	<u>10,122,401</u>	<u>10,991,738</u>
Total Shareholders' Equity	<u>16,367,401</u>	<u>17,236,738</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$27,109,731</u>	<u>\$25,755,156</u>

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THE MONONGAHELA RAILWAY COMPANY

DETAIL OF OPERATING EXPENSES

	1968	1967
MAINTENANCE OF WAY AND STRUCTURES:		
Superintendence	\$ 117,781	\$ 96,678
Roadway maintenance	609,382	670,688
Maintaining structures	36,149	33,131
Depreciation and retirements	139,819	137,881
Miscellaneous	83,404	59,389
Joint facilities	828,559	8,758
Total Maintenance of Way and Structures	<u>1,815,094</u>	<u>1,006,525</u>
MAINTENANCE OF EQUIPMENT:		
Superintendence	42,713	43,365
Locomotive repairs	419,355	263,549
Car repairs	143,432	141,076
Other equipment repairs	16,117	10,612
Depreciation and retirements	122,738	109,776
Miscellaneous	25,371	20,453
Joint facilities	18,368	21,986
Total Maintenance of Equipment	<u>788,094</u>	<u>610,817</u>
TRAFFIC:		
Traffic expenses	<u>12,820</u>	<u>11,790</u>
TRANSPORTATION:		
Supervision	220,865	223,338
Station service	41,807	39,457
Yard service	563,133	582,947
Train service	703,810	731,025
Casualties	119,921	143,595
Miscellaneous	63,499	61,927
Joint facilities	113,105	107,199
Total Transportation	<u>1,826,140</u>	<u>1,889,488</u>
GENERAL:		
Administration	89,431	101,954
Miscellaneous	45,049	28,391
Total General	<u>134,480</u>	<u>130,345</u>
TOTAL OPERATING EXPENSES	<u>\$ 4,576,628</u>	<u>\$ 3,648,965</u>